



THE CITY OF NEW YORK
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Via Facsimile and ECF

Magistrate Judge Cheryl L. Pollak
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *The City of New York v. A-1 Jewelry & Pawn, Inc., et al.*, Civil Action No.
06 CV 2233 (E.D.N.Y.) (JBW) (CLP)
Gallery Distributing

Dear Magistrate Judge Pollak:

I write to inform the Court that the City and defendant Gallery Distributing, Inc. ("Gallery") have in principle agreed to enter into a settlement of this action. I am further informed by Jay Fisher, principal of Gallery, that he will not be able to retain counsel by the deadline of February 8, 2008. In view of the potential resolution, I respectfully request that the Court stay an entry of a default judgment against Gallery to permit the parties to complete the settlement. I will notify the Court no later than February 13, 2008, if we have not been able to conclude arrangements by that date. Discussions between the City and Gallery will not affect the discovery schedule, and indeed, we anticipate that the settlement will make available additional time for the few remaining defendants to complete discovery.

Thank you for your attention to this matter.

Respectfully submitted,


Eric Proshansky

cc: All counsel via ECF